



Rebuild Iowa Task Force Infrastructure & Transportation Meeting Notes

**July 29, 2008 — 9:00 a.m.
West Des Moines Learning Resource Center
3550 Mills Civic Parkway
West Des Moines, IA 50265**

Task Force Members Present:

Chaz Allen, Iowa Telecom, Newton
Darren Bumgarner, Northwest Iowa Planning and Development Commission, Spencer
Scott Byers, NAI Iowa Realty Commercial, Cedar Rapids
Patti Cale-Finnegan, Iowa Department of Natural Resources, Des Moines
Senator Tom Courtney, Iowa General Assembly, Burlington
Dan Curran, Worley, Cedar Rapids
David Elgin, City of Cedar Rapids, Cedar Rapids
Representative Pat Grassley, Iowa General Assembly, New Hartford
James Houser, Linn County, Cedar Rapids
Representative Geri Huser, Iowa General Assembly, Altoona
JD King, Fayette County Secondary Road Department, West Union
Mike King, President of the Iowa Association of Counties and Rebuild Iowa Advisory, Creston
Commission (RIAC) Member
Linda Kinman, Des Moines Water Works & Iowa Association of Water Agencies, Des Moines
Dan Mann, Eastern Iowa Airport, Cedar Rapids
Scott Newhard, Associated General Contractors of Iowa, Des Moines
Cathy Nicholas, Black Hawk County, Waterloo
Nancy Richardson, Iowa Department of Transportation, Ames
John Root, Root Cellar, Muscatine
Dan Sabin, Iowa Northern Railway Company, Cedar Rapids
Viivi Shirley, Mayor of Perry, Perry
William Stowe, City of Des Moines, Des Moines
Mark Wandro, Snyder and Associates, RIAC Member, Ankeny
Brian Willham, Shive Hattery, Inc., Iowa City
Senator Mark Ziemann, Iowa General Assembly, Postville

Resource Group Members Present:

Lori Beary, Iowa Finance Authority, Des Moines
John Bender, Ament Engineering, Cedar Rapids
Rick Berndt, Shive Hattery, Inc., Swisher
Chad Bird, City of Adel, Adel
Chuck Corell, Iowa Department of Natural Resources, Des Moines
Tom Deardorff, Private Consultant
Steve De Vries, Iowa County Engineers Association Service Bureau, Des Moines
Shearon Elderkin, 1000 Friends of Iowa, Cedar Rapids
Jeff Geerts, Iowa Department of Economic Development, Des Moines
Tom Hagarty, Cedar Falls City Council Representative, Cedar Falls
Wayne Johnson, Qwest, Des Moines

Garry Klein, Klein Consulting
Drew Manatt, Manatts Inc., Johnston
Dennis Miller, Iowa Interstate Railroad, Cedar Rapids
Alex Moon, Iowa Department of Natural Resources, Des Moines
Paul Mullen, Omaha/ Council Bluffs Metropolitan Area Planning Agency, Omaha, Nebraska
Sheila Navis, Rural Iowa Independent Telephone Association, Des Moines
Tom Parham, Federal Highway Administration, Ames
Aaron Staker, Aegon/Transamerica, Cedar Rapids
Mikki Stier, Broadlawns Medical Center, Des Moines
Dee Vanderhoef, Iowa City

Speakers:

Dennis Harper, Iowa Homeland Security and Emergency Management
Hank Manning, Iowa Department of Economic Developments
Tom Parham, Federal Highway Administration (FHWA)

Observers:

John Boyle, FEMA Long Term Community Recovery, Urbandale
Jamie Cashman, Governor's Office, Des Moines
Megan Donahue, FEMA Task Forces, Urbandale
Bill Freeland, House Democratic Caucus, Des Moines
Steve Gannon, Linn County Engineer, Marion
Rachele Hjelmaas, Legislative Services Agency, Legal Division, Des Moines
Jennifer Jacobs, Des Moines Register, Des Moines
Carolann Jensen, Senate Republican Staff, Des Moines
Theresa Kehoe, Senate Democratic Staff, Des Moines
Mary Beth Mellick, Legislative Services Agency, Fiscal Services Division, Des Moines
Mary Jane Olney, Rebuild Iowa Office
Megan Osweiler, Iowa League of Cities, Des Moines
R. Mark Pearson, FEMA- Water/ Waste Water, Urbandale
Lucinda Robertsen, Rebuild Iowa Office, Urbandale
Kelly Ryan, House Republican Staff, Des Moines
Marcia Tannian, Legislative Services Agency, Fiscal Services Division, Des Moines

Additional observers from:

Cedar Rapids Gazette
Iowa Association of County Supervisors
Iowa Northern Railway

Staff:

Larry Jesse, Iowa Department of Transportation and Rebuild Iowa Office (RIO) Staff
Hank Manning, Iowa Department of Economic Development and RIO Staff
Ben Banowetz, SPPG
Amelia Colwell, SPPG
Jennifer Furler, SPPG

Welcome and Introductions – Task Force Chairs Mike King and Mark Wandro

King introduced himself as the President of the Iowa Association of Counties and business owner. He also introduced Task Force Co-Chair, Mark Wandro. He explained the Governor's Executive Order that created the Rebuild Iowa Advisory Commission and explained that nine task forces in areas would make recommendations to the Commission on specific areas of rebuilding. He said that a report would be generated from the day's work to inform a comprehensive report within 45 days to the Legislature and Governor. He introduced Rebuild

Iowa Office staff members Hank Manning and Larry Jesse and facilitators from SPPG. King asked group members to introduce themselves.

Wandro explained that the Task Force would be meeting four times between July and the end of the year to discuss short-term recommendations (which will be incorporated into the 45-day report) and long-term goals. Wandro explained the charge of the Infrastructure and Transportation Task Force as looking for gaps, finding unmet needs, and making suggestions on how to fill gaps and unmet needs. He told the group that they will see the draft Task Force report and the window to review it will be small. He said he has spent 20 years in the public sector and is an engineer by profession, formerly at the Iowa Department of Transportation.

Charge to the Task Force and Overview of the Day

Furler expressed gratitude to the group for their presence at the meeting. She said the response has been overwhelming to the call from the Lieutenant Governor and Governor for Task Force members. She described the goal of the meeting as a place to deliberate, listen, and discuss the issues. Furler said that the group will work toward recommendations that can be reached through consensus. She said the Resource Group can be called upon for data and expertise to make sure all the room's expertise is captured. Furler explained that the morning will include presentations and the afternoon will be a discussion of gaps and preliminary recommendations to the Rebuild Iowa Advisory Commission, which will combine the recommendations and put them forward to the Governor. Furler explained that the final product of the Task Force meeting will be a consensus report due August 18.

Presentation of Information

Wandro introduced Dennis Harper, from Iowa Homeland Security and Emergency Management Division (HSEM). Harper introduced his FEMA counterparts. Harper said he has seen 23 disasters in 16 years. HSEM staff members manage FEMA grant programs. Harper formerly managed Hazard Mitigation and now manages Public Assistance. The current disaster is number 1763, and is looking at severe storms, tornadoes, and flooding. The incident period is still open, which slows down the delivery of programs. Harper said Pat Hall is the State Coordinating Officer and Bill Vogel is the Federal Coordinating Officer.

The Public Assistance program is not a direct federal program; it is delivered through HSEM, and the state disperses the money to applicants. Seventy-five percent federal and 25% non-federal match are required, and the state of Iowa provides 40% of the non-federal match or 10% of the total. There is a request in to receive 90% FEMA funding, which would require a 10% local match. Eligible applicants include state government agencies, county governments, municipal governments, private nonprofits that are defined by FEMA as critical, and schools. Ineligible nonprofits are eligible to apply for assistance through the Small Business Administration. For some nonprofits, disaster relief comes as a combination of the two funding streams.

Work categories are Emergency Work (debris removal and protective measures) and Permanent Work (roads and bridges, water control facilities, building and equipment, utilities, parks and recreation and other). These categories drive program eligibility and policy. These estimates do not take into account insurance, but do include numbers from The University of Iowa data. This is expected to be the largest Public Assistance program in the history of Iowa. The total Public Assistance estimate by FEMA is \$798 million, with Emergency Work estimated to be \$128.2 million.

Debris Removal includes protective measures, which are the demolition of structures, mosquito abatement, and control. The goal of these activities is to eliminate immediate threat to life, public health, and safety. Roads and bridges normally make up the largest category. Water control facilities include dams and reservoirs, levees, canals, engineered drainage channels,

sediment basins, shore protective devices, irrigation facilities, pumping facilities, and aqueducts. FEMA sends teams out to help with drainage districts. With buildings and equipment, insurance is the first issue, which gets into private insurance policies and the National Flood Insurance Program. In Iowa, there are public buildings in the floodplain without flood insurance. FEMA reduces assistance based on the amount insurance would cover. For instance, if insurance would cover \$1 million in damage, FEMA would subtract \$1 million from the assistance it gives to that entity. Utilities cover sewage collection systems and treatment plants, communications, water treatment plants, and power generation plants. Within the parks and recreation and other category, Iowa has over 300 damaged areas reported.

Harper described the application process as easy and said FEMA has had to do outreach to nonprofits. Eligibility requires that an expense or work must be a result of a declared event, within the designated disaster area, and the work has to be the responsibility of the applicant and not fall within the authority of another program (i.e. federal aid eligible highway systems). Permanent Work is designed to repair, restore and replace to current standards. It can include consideration of cost-effective hazard mitigation. The choice between repair and replacement is determined by FEMA.

FEMA has two aspects of grant financial management that are important to know. It is a pay-as-you-go system, and applicants can request funding in advance to pay bills. On the small project side, which is less than \$60,000, the federal share is paid on approval in advance. FEMA has federal cash on hand and is one of the only federal programs to run that way. FEMA reviews and inspects projects so applicants are prepared for audits. FEMA completes site inspections for every large project.

For labor costs in protective measures, only overtime pay is eligible. Equipment costs are based on federal rates with adjustments for fuel costs. Material costs are included as another category. Applicants are eligible to receive Grant Management and Administration. Every project is written up on a Project Worksheet and requires a minimum damage assessment of \$1,000. It is the responsibility of local governments to assess damage and be able to provide the complete cost breakdown. There are time limits for Emergency Work and Debris Removal of six months, and permanent work time limits are 18 months. These can be extended based on the incident still being open.

Potential unmet needs include the non-federal match. Right now, the state carries an \$80 million commitment, and local entities carry a \$120 million commitment. Some communities will not be able to come up with funds. FEMA will continue to pinpoint unmet needs and issues. Assistance to cover damage to uninsured floodplain facilities includes a deduction of \$500,000 for structures and \$500,000 in deductions for contents. FEMA may not have the authority to repair federal aid eligible highways, bridges and levees. An Inter-Agency Levee Review Committee has formed to coordinate efforts.

Harper expressed that landfills are important to address. As long as there is a place to take waste, FEMA will pay for it. There is a lost capacity issue because of all the storm debris. Harper directed the group to the Daily Public Assistance Report, where 1% of applicants have been completed, and this is ahead of schedule. In Louisiana, it was a year after the disaster before 1% of applicants had been completed. The pace of applications will increase in the coming weeks. Harper highlighted the largest single projects in each category by applicant.

Furler said handouts will be emailed out based on contact information provided on sign in sheets. A Task Force member asked about wastewater facilities that may not have time to assess damages. Harper said that the 60-day time period does not start until the incident period ends. FEMA will also provide technical assistance to those facilities if needed. A Resource Group member asked if the Environmental Review Process would be undertaken by FEMA.

Harper said it would be undertaken, but FEMA does not delegate responsibility to the applicant; if there is an environmental issue, FEMA performs it. A Resource Group member asked whether FEMA abides by local, state or federal codes. Harper said FEMA abides by the applicant's standards, which may be local or state codes. A Task Force member asked how the public is notified when incident periods are closed. Harper said that FEMA sends mailings to applicants and press releases through media outlets, in which FEMA will identify the end date. A Resource Group member asked if projects are brought to pre-event status and whether there is money available to correct and upgrade systems. Harper said that if there is a code or standard that requires an upgrade, it is covered and mitigation is part of the program. For all permanent work, FEMA requires the applicant to identify hazard mitigation. A Resource Group member asked if historically preserved structures are included. Harper said that mitigation is included within the scope of work. A Task Force member asked about the document that Harper distributed. He explained that it was an excerpt from preliminary data by category and included the largest applicant sums.

Wandro thanked Harper and introduced Tom Parham. Parham is co-manager of the Emergency Relief (ER) Program with the Federal Highway Administration (FHWA) Iowa Division Office. Parham described the FHWA as not nearly as broad as FEMA, since the focus is on federal aid eligible highways and is designed to respond to damage as a result of disasters and address catastrophes (i.e. I-35 bridge collapse in Minnesota). FHWA funding is intended to supplement local and state funds and is not intended to pay for 100% of damages. Federal aid eligible highways are those not classified as local or county roads. One-fourth of roadway mileage in Iowa is part of the federal highway system. Damage has to be serious enough to severely impair the safety or usefulness of the highway or result in road closures. Congress makes \$100 million per year available for the ER program and limits a state to \$100 million for each disaster. The \$100 million for the ER program nationwide was already gone before the flooding. Iowa has received \$1 million in Quick Release money, and there is a \$600 million dollar backlog of funds on the national level. Iowa has received \$1 million in Quick Release money.

Within the category of Emergency Repair (ER), 100% of the share is federal and the repair has to be of a certain emergency nature and completed within 180 days as opposed to Permanent Repairs which is 90% federally funded requiring a 10% non-federal match for interstates and 80% federal and 20% non-federal for other projects. Local entities can start emergency repairs as soon as possible. Permanent repairs are normally handled after emergency repairs are completed. The minimum established cost guideline for a site is \$5,000, which can include both permanent and emergency repair needs. The application process involves the state DOT collecting all applications on behalf of all jurisdictions and funding flows back through the state DOT. The applicants have to document costs and are reimbursed later. The program looks for a Governor's declaration, the state submits a letter of intent, which the state DOT has already done, FHWA completes a quick preliminary estimate of damages, FHWA forwards a request to Washington, D.C. and the federal entity determines recommendations based on that request. Iowa is now in the process of completing detailed damage reports through district Department of Transportation offices.

Sometimes right-of-way costs are eligible if standards have changed since the road was built. The FHWA normally looks at restoration of highways to their pre-flood condition; improvements have to show direct financial benefit to the Emergency Repair program. Eligible costs include preliminary and construction engineering, damages to designated detours by traffic detoured from a federal aid eligible highway, and damages to active construction projects if the contractor is not responsible for the repair. Ineligible costs include stockpiles of material for maintenance and construction damaged or destroyed by the flood that have not been incorporated into a project. Bridges that were damaged that were already programmed by the jurisdiction for replacement are also not eligible for replacement funds. A Task Force member said that Iowa is already dealing with this issue in Fayette County.

Iowa is utilizing the Quick Release Process and has obtained \$1 million. FHWA did an abbreviated damage summary of \$50 million, which has increased since the initial request. Local entities have the option of local crews, solicited contract, or negotiated contract for emergency repairs, but permanent repairs must be awarded by competitive bidding. Parham directed the group to FHWA's website for the program manual: <http://www.fhwa.dot.gov/reports>

Parham said that the \$1 million will be gone quickly and because of the size of the disasters, FHWA has identified 220 sites, and that number is expected to increase. Normally the FHWA would require that the state DOT submit damage assessments in aggregate, but they are allowing the state DOT to submit damage estimates gradually in the event. Western Iowa may be ready to submit damage reports, whereas parts of Eastern Iowa have only recently gotten to see the damages, due to slowly receding water. Emergency Work Submission is currently underway. The Permanent Repair Submission of Damages is expected to occur in August or September. FHWA helps state and local entities complete damage reports and do inspections on site. Until Congress does something, FHWA will continue to process claims, but there will be no money to reimburse for costs. A Task Force member asked whether detour routes have to be on the federal aid eligible highway system. Parham said that the detour route does not have to be a federal aid eligible highway, but it has to be a designated, official detour. Another Task Force member asked when the disaster period started. Parham said that it started May 25 and that there is talk of a possible end date of July 14. This will depend on a look at the rivers again and assessing continual damage. He said that one Emergency Repair project is happening in Parkersburg to replace signs and traffic signals. A Task Force member asked what the estimate between what the federal level pays and what state and locals pay is. Parham said that the federal and state responsibilities are 80% and 20% respectively for permanent work. For emergency work, 100% of the responsibility is federal.

Wandro thanked Parham and introduced Hank Manning from the Iowa Department of Economic Development (IDED). Manning, who manages the Community Development Block Grant (CDBG) program, spoke about its relevance and use for disaster relief. The regular CDBG program is a yearly appropriation, and it is common for Congress to do a special appropriation. Congress has approved \$300 million to states impacted by disasters, but Iowa's allocation is not yet clear. Iowa's Congressional delegation is working on a second appropriation and does not expect to act until after the September recess. Everything will run through the state on supplemental funds, and CDBG is the biggest source of federal disaster relief funding other than FEMA. Only cities and counties can apply for CDBG funds, along with some business and nonprofits. Currently, CDBG-funded programs must allocate 70% of funding to programs that benefit low income and moderate income people, although there are some waivers possible for request. For instance, the percentage can be changed to 50% of funding to go toward programs that benefit low income and moderate income people. Manning stated that CDBG is a very flexible program and can be used as non-federal FEMA match and for storm sewer systems. There will be a big demand for CDBG funds. Manning pointed the group to the handout in the folder that identified 1993 allocations of funding and another handout about the state revolving fund. A Task Force member asked if IDED is working on trying to emphasize storm sewer improvement practices. Manning said that the agency is moving in that direction and that it could be a topic for the Task Force to discuss.

Issue Identification

Banowetz thanked the presenters and asked the group to identify issues related to transportation modes. Furler framed the day's discussion and recommendations. Furler explained that the Floodplain Management Task Force will look at levees, and drainage districts will be covered through the Agriculture and Environment Task Force. A Task Force member said a sheet in the packet summarizes damage estimates for highways, trails, public transit and railroads. DOT is looking at ways to use existing program funding for flood recovery for these

programs. Preliminary damage estimates for trails are \$10-\$15 million. Trails are locally owned and funding comes to DNR, DED, and DOT through state and federal programs. Trail damage estimates usually take longer to get back from communities.

A Task Force member said that there is no set program for rail and trail at the federal level like the ER program for highways. In the 1993 flood, Congress appropriated rail funding for damages to the Midwest of \$30 million. Iowa currently projected about \$23 million in damages for shortline and regional railroads and \$45-60 million in need. Another Task Force member mentioned that replacing railroad bridges in Waterloo and Cedar Rapids are a priority, and he hopes that the damages incurred will not happen again. This will require looking at bridge elevations because when the flood gates are closed, the velocity of the river increases putting structures at risk. A Task Force member said that the Shell Rock River at Clarksville created its own channel and contributed to the backup of water, and suggested that going forward, the state will have to look at how levees may be creating more problems. Railroads receive the brunt of the water and there are places on the railroad where those making repairs have discovered evidence of four or five repairs in the same spot. Industries have waivers on sales tax for material used on repairs, but railroads are not eligible. Many other states have acted on that, but Iowa has not. A Task Force member said that there is \$6.9 million worth of damage, and it will be taxed for private railroads. Some money is available in loans and, if accepted, railroads may be up against loan covenants and it may create a serious financial situation in the future. Iowa DOT is looking into the possibility of using a current economic development rail program for flood recovery loans. When two bridges were lost, traffic was detoured, sometimes 300 miles out of their way. Railroad companies have taken a 40% hit on revenues and customers still pay a 50% increase. A Task Force member expressed concern that this will adversely affect farmers and cooperatives. Rerouting costs are extreme, even when railroads have good relationships with one another. The Task Force member expressed hope that the permitting process will not tie up the replacement of bridges while the summer work season is still going.

A Task Force member asked if there was anything to do on county basis to talk to city and county engineers about structures so that they will not have the same problem in the future. A Resource Group member said that when the Des Moines flood gates closed, the railroads suffered a lack of revenue; the main line through Des Moines was open but the flood gates were closed so the railroad could not use it. The railroads have been rebuilding new rails and have seen a 65% increase in property tax to improve railroads to meet current standards and address deferred maintenance. The railroads also suffered outages because of power lines down on tracks. Railroads are not covered through FEMA assistance, except the Boone County Scenic Railroad. Eligibility for private railroads is very limited. One-hundred twenty-seven bridges on rail lines got hit with debris, and railroads are responsible for clearing this debris themselves.

The cost to public transit is estimated to be somewhere over \$50 million, with the bulk of the damage in Cedar Rapids and Coralville, and most of the cost is related to buildings. These transit systems are publicly operated and FEMA eligible. Trails are eligible for FEMA assistance. A Task Force member said aviation has not been affected, but will need the business infrastructure in place, since this affects flying rates. Aviation experienced short-term problems with communication.

A Task Force member said that the cost of repair is going to have an effect on redevelopment and suggested that trails and bus barn locations may be reconsidered. There was a question about how the Task Forces are going to coordinate these issues. Wandro said the Rebuild Iowa Advisory Commission (RIAC) will meet to discuss those issues. Furler explained the structure of RIAC as appointed by the Governor, and the role of the Rebuild Iowa Office (RIO) as providing coordination. The information from the nine Task Forces goes back to Commission. A Resource Group member said that the sales tax reduction would be good for communications systems

and expressed concern that dollars invested in rebuilt areas may be wasted if a community decides not to rebuild. A Task Force member expressed concern about the cost to private utilities and communication. Another Task Force member suggested that maybe more planning is needed upstream. The railroad funds that companies expected to spend on additional capacity will now be used to get back to capacity before the flood. Banowetz identified communication as a crucial element. A Task Force member expressed concern about tiling agricultural land which drains water quickly, concern about drainage districts, and a state plan for water control.

Task force members said a cost-benefit analysis would be helpful from wastewater and utilities. A Resource Group member said the operation of utilities is a main concern and they have not explored costs. Banowetz asked about wastewater. A Task Force member said they expected to get FEMA assistance for wastewater treatment plants. Quaker Oats has had some water treatment issues. A Task Force member asked if recommendations would be based upon what the Army Corps of Engineers will examine and propose for Floodplain Management. Another Task Force member said that Cedar Rapids is proceeding to meet with the public for feedback with the Army Corps of Engineers and Cedar River Corridor Study to examine infrastructure and housing. The study will look upstream to control causes of floods, which are amount of rainfall and what gets discharged from property. Rail lines need to be by rivers because businesses are located there and Cedar Rapids is trying to get as many businesses out of the floodplain as possible. A Task Force member said that replacing bridges at the street level will place stress on bridges when river velocity increases. It was suggested that when doing studies for new roads, there is a need to look at how rails and roads could work together to create solutions. A Task Force member said that the Corridor Study will look at those factors and economic impacts and make the decisions. A Resource Group member asked if the Army Corps of Engineers has looked at using reservoirs for maximum flood control. This was done with the Park Road Bridge in Iowa City because the Army Corps of Engineers has to look at bridges downstream when regulating reservoirs. Furler said these are important issues and are within the scope of the Floodplain Management Task Force; the Long Term Recovery Planning Task Force will discuss levees.

Furler clarified that the scope of the Infrastructure and Transportation Task Force includes:

- Transportation modes
- Water and wastewater
- Communications
- Utilities
- Landfills
- Public buildings
- Trails and parks

A Task Force member addressed rebuilding to 1960 standards and recommended that businesses be encouraged to adopt Energy Star standards. He emphasized the need to examine agricultural practices that increase runoff. A Task Force member asked if there are public policy changes needed that the State Legislature could address. The Task Force members discussed the need for coordination and the highest level of cooperation between levels of government. Furler said the opportunity in the morning is to understand the issues in areas of expertise and hearing from each other to eventually prioritize recommendations.

Banowetz asked about issues of communications. A Resource Group member said that with respect to Palo, when telecommunications goes down, they have to shut down the nuclear power plant and have suffered significant loss. There was a need expressed for some way for private companies to recover. A Task Force member asked what kind of damages there have been to communications systems. The communications system in Oakville flooded, and there is an emergency switch in place to get everyone up and running, but the houses are gone, and

companies do not know who has phones anymore. On the highway, fiber optic cables run through the country and there is the question about who will be there in the future. Concern was also expressed about the long-term impact of loss of subscribers and communication systems being stored in basements that were flooded. There was an effort to move away from aerial lines, and now it does not take much water in the ground to damage lines. A Task Force member asked for utilities and communications systems to put together estimates of damages.

A Resource Group member said that backup systems would be expected to increase in popularity and expressed hope that there would be funding to support the interest. A Resource Group member said that one positive aspect of the disaster were the cooperation and coordination between FEMA and local hospitals when the disaster happened. It was suggested that as a longer-term issue, there is concern about hospitals doing remote surgeries being in trouble when T1 lines go down.

Furler asked about bridges not covered under certain programs. A Task Force member said that within the FHWA ER program, if the governmental jurisdiction has already included replacement of a covered a bridge in a planning document, the ER program will not backfill that money, although they can get funding to repair the bridge. A Task Force member said that Fayette County is only place she is aware of that this is happening, and Fayette County is working with the Congressional delegates to work out funding. One Task Force member brought up the issue of a wastewater facility that a local government had been planning to upgrade, but the FEMA money will only get the facility back to what it was, without improvements that may help long term. A Task Force member asked about the ability to receive gap funding to cover things that will not otherwise be covered. Another Task Force member suggested the option to look at years that local entities can borrow ahead dollars and what can be done at the state level to adjust that number.

Banowetz asked the group to discuss utilities issues. A Task Force member said that in Cedar Rapids, the gas was shut off, and the lines have water. Since some homeowners are looking at mitigation efforts to buy out homes, and some homeowners are exploring different options, to replace those utilities without the assurance that there will be people living there is a big investment for utilities. Private utilities are not being reimbursed, and decisions about flood protection and buyout may not happen for 18 months. A Task Force member asked who makes the decision for mitigation. A Resource Group member said that the FEMA buyout program is not the individual assistance program and is delivered through communities based on long-term development. Iowa does not have the money right now for the buyout program, the process of getting applications takes six months, and review of applications takes three months, with a minimum of nine months to a year to turn around a FEMA recommendation. A Resource Group member asked if there is anything that can be eliminated to decrease the timeline. A FEMA representative said that they have eliminated the front end; FEMA normally receives two or three times more requests than funding available. A Task Force member asked if local government has a decision making process to address companies' concerns. A Task Force member said that Cedar Rapids needs homes for 3,000 people. A Task Force member said that individual communities have a right to make decisions with residents on whether to take voluntary buyout or not and utilities have an obligation to serve those residents.

A Task Force member said that in Cedar Rapids, 10 million square feet of the city are heated by steam, and Alliant is unaware of whether the steam system will function for the business district (with public buildings and churches also included in the area) because it will be three or four times the cost. A Task Force member said that when utilities have a place to go with steam, they go up to 80% energy efficiency.

A Task Force member brought up the issue of when public buildings relocate to temporary locations and service levels drop off because the public gets confused. A Resource Group

member said that 20 buildings being damaged, including housing units, will affect The University of Iowa students in the fall. A Task Force member said that in Linn County, 80% of public buildings have been damaged, with \$80 million estimated in damage and \$10 million in clean up. Cedar Rapids went five weeks without traffic court. The city is experiencing cash flow issues, and taxes will not come in until September, which is a potential gap, since the city was spending \$125,000 per day in clean up costs. A Task Force member said that another funding issue in Cedar Rapids is that 5,000 homes will account for a 20% decrease in revenues because of property tax value decrease, and it was suggested the Legislative special session look at ways to abate taxes for these homeowners.

A Resource Group member suggested looking at the policies that the Governor's Office has begun with the Energy Independence Plan and Complete Streets Policy for opportunities to look at incentives to drive safer, stronger, and smarter development in the future. A Task Force member said that downtown Cedar Rapids only has one two-inch gas main that serves the entire area, and electric boilers may be needed to provide heat. Another Task Force member suggested that this may be an opportunity for the city to use ground source heat pumps, and that educating them about their options would be ideal.

Concerning landfills, Linn County has made special consideration to open an old landfill and added 30 feet in height. Stage 2 is almost completely full, and it takes time to line up another cell. A Resource Group member said that in Iowa City, they planned out when new cells open and close and because of the increased rate of use, the situation will create cash flow problems for the city. A Resource Group member said within the DNR, it is not an issue of overall capacity; the state has 30 years of capacity, but landfills are built in stages and are not built to take on disaster debris. There are also issues of transportation and time. Two and one-half years of capacity have been required to accommodate the disaster clean up. One Task Force member said that investments of solid waste went south by \$9 million, and that is making the situation worse. A Task Force member asked if tipping costs increased assistance to landfills. Another Task Force member said the landfill has been open 12 hours a day every day and costs are covered. In Iowa City and Cedar Rapids, the city waived tipping fees to get things off the streets. Cities were told by DNR to keep track of tonnage. There was a question about whether FEMA kept track of this, and that was confirmed. One Task Force member said his area is dealing with how to move debris in the temporary landfill and who will pay for it because it is not covered by FEMA.

Issues Identified:

- Recovery costs for rail and trails
 - Sales tax for trails rebuilding
 - Bridge elevation
 - Need quick DNR permitting
- Inter-related transportation modes
- Streams and rivers as an asset
- Consider statewide impact of flood control
- Make state level decisions to inform local rebuilding investments
- Rebuild to high energy standards
- Coordination and cooperation between all levels of government
- Private communications and utilities have no funding for recovery
- Storm sewers
- Location of utility and communications infrastructure in buildings
- No FHWA funding for bridges identified for replacement (Fayette County is only bridge identified in this situation)
- Bringing sewers beyond pre-flood condition
- Public building readiness

- City and county funding gap until federal assistance and decreased revenues
- Limited landfill capacity due to building in stages
- Aging infrastructure

Furler adjourned the group for a half-hour lunch break. Furler mentioned the Speak Up Iowa outreach sessions and invited the group to the Cedar Rapids, Wapello, Fort Dodge, Cedar Falls, and Red Oak sessions. She told the group that invitations would be sent out by email. A Task Force member asked how Speak Up Iowa outreach and communication was being dispersed. A RIO staff member said that Emily Hajek from the Governor's Office will be sending out information to organizations.

Gaps Identification and Prioritization of Critical Areas

Furler shifted the discussion to identification of gaps. A Resource Group member asked if the Legislature will make a move on soft money such as trail improvement projects and Vision Iowa funds to redirect them to flood recovery. Wandro said that decision would be up to the Legislature and said that the purview of the Task Force is to identify unmet needs. A Task Force member said that a gap for Cedar Rapids is planning; the city has commissioned a planning study for \$1 million for which they have no funding. A Corps of Engineers study has been expanded to \$5 million and will include a study of the Cedar River Corridor. If the city had more money, they would expand that study.

A Task Force member expressed that it was hard to compartmentalize needs when everything interlocks. One Task Force member said that for utilities, short term repairs are pretty much done, but for the long term people are asking how to prepare for the future and ensure this does not happen again. A Task Force member identified local match as a gap; Cedar Rapids has an \$80 million General Fund budget, which is about what they need in local match required for FEMA funds. A Task Force member said that smaller counties will be impacted more substantially.

One Task Force member said that there is gap for the state with regard to extra jurisdictional planning and land use and suggested that the state needs to make incentives to reduce runoff.

A Task Force member pointed to a map of the Cedar River under normal conditions and how it spread out during the flood. Another said that the problem is chased downstream. If the state takes a role in this, it is going to be taking away jurisdiction. Another Task Force member said that the state already has a role in it for planning and on the economic incentive level, recognizing that local governments have jurisdiction. One Task Force member brought up the gap between money available for mitigation and the level of what is needed. A Resource Group member said that implementing a buyout program is a decades-long process, and that in subsequent floods, there is less damage. Furler asked if some gaps specific to rail should be part of recommendations, and a Task Force member agreed. A Task Force member talked about the gaps in planning and consolidating needs of utilities, telecom, roadways, and railways.

Another suggested a gap was the issue of building for improvement beyond the pre-flood condition. A Task Force member said that there is a need to quantify unmet needs and determine whether existing programs cover those needs. A Task Force member asked if the assessment of the roads was complete. A Task Force member said that on the ER level, their target date is August 6 for having forms completed and submitted to the central office by counties and cities. He said that they hope that they will have a sense of the damage, but sometimes they may not be complete. FEMA hopes to have an unmet need estimate in August. A Task Force member asked if COGs could compile estimates.

One Task Force member said that cash flow will be a gap for local governments. A Task Force member expressed that it is hard to know gaps when information about damages is not yet

collected. A Task Force member said that since the corrections and courthouse buildings were self-insured, the county has to come up with \$1 million per building, and it is not in the budget. Another Task Force member said that it will be a 10-20 year issue to restore revenue levels. A Task Force member said that when a county is up against its cap, there is an inability to raise more revenue. Another Task Force member suggested that the state can change that. One Task Force member gave the example of mental health costs being capped, and the county could not meet the needs before the flood, let alone the additional needs after the flood. A Resource Group member asked to add The University of Iowa to the gap list because it relies on Board of Regents funding. A Task Force member said that some problems were not new; they were exacerbated by the flood. Another gap suggested was the aging infrastructure. The issue of funding for roads was brought up; county roads will have to take from equipment and labor to pay for ice and road maintenance, and it may be a public education issue of letting the public know that the DOT will not be providing a level of service that is expected because they do not have the funding. Winter maintenance levels this year are expected to be impacted.

A Task Force member said that as a city's taxable valuation goes down, the amount it can borrow goes down; he suggested the need to raise that cap or allow emergency levies. It was suggested that the group consider the long-term positive and negative consequences of these adjustments. A Resource Group member addressed the insurance gap of people not buying it until it is too late. He asked why there was a mandate or requirement for accountability. A Task Force member said she saw that as a business decision to take a risk. Another Task Force member said that is where Linn County is because they are self insured; that is a business choice that has saved expenses. A Task Force member said that when FEMA comes in and rebuilds, it will be required to have flood insurance in order to receive assistance. There was a discussion about flooding happening more often in recent years.

A Task Force member said that sewers are a major issue because the stream of financing is different; there will be a significant portion of residents who will not be able to pay increased fees. It was suggested that the state revolving loan fund be used for these purposes, which would require a code change. FEMA provides assistance for sewers, and a FEMA estimate of water and sewers is included in the utilities estimate. A Task Force member brought up the issue of aging sewer infrastructure and predicted that rates could be raised 50% in some places. A Task Force member said that some cities do not have storm sewers, and they want to put in storm water management systems; this was determined to be a long term issue. A Task Force member said that the longer the wait to repair sewers, the longer people suffer water quality issues. A group member said that the damage estimate to the city of Cedar Rapids public buildings is \$600 million.

Gaps Identified:

- Data and information (i.e. statewide communications damage estimate)
- Funding
 - Legislative
 - Studies
 - Planning
- Local match and short term cash flow
 - Loss of tax revenue
 - Local caps, taxing authority
 - Different between mitigation and the right thing to do
- Private rail, communications, and utilities
- Business loss
- Old infrastructure needs improvements
- Collaboration, coordination, and timing
- Process to identify gaps
- University of Iowa

- Insurance gap
- Road maintenance
- Waiting for updated 100 year and 500 year floodplain maps
- Increased water and sewer rates for low income people
- Local ability to borrow – raise the 5%
- Land use
 - Runoff, upstream
 - Agricultural

Recommendations

There was a suggestion to coordinate lobbying efforts to the Congressional delegation in a collaborative fashion. A member raised the issue of cities' ability to borrow, and said the bond cap or taxation authority may need to be raised as well as allowing local governments to diversify revenue. A Task Force member said that assignable tax credits for repair, replacement, and mitigation of damage would allow an infusion of cash into the state. Railroad companies can assign the tax credits to someone else. A Task Force member asked if a government entity can do the same thing, and Wandro confirmed this. Concerns were raised about costs increasing for low income people. A Task Force member expressed that the business taxing structure is cost-prohibitive and said that incentives would help. Another Task Force member said that Cedar Rapids companies are not willing to make that investment because they know a property tax increase is coming. There was discussion about the need to figure out a way to mitigate the time period and avoid some throwaway investments by private and public entities. One Task Force member said that things take time, especially when people are recovering from traumatic events.

Immediate Recommendations Identified:

- Raise bond cap (with possibility of state backing for small towns)
- Eliminate state policies that prevent local governments' authority to seek revenue diversification
- Business (assignable) tax credits for flood infrastructure repair costs
- Waive sales tax on flood repair materials and mitigation
- Single application for state rebuilding funds
- Streamline government systems to prevent additional bureaucracy
- Data
- Funds for projects use sustainable environmental and energy efficient practices
- Explore expansion of Enterprise Zones
- Use Rainy Day Fund for local match and cash flow
- Expedite bid process

The immediate needs are based on the presumption that the Legislature will hold a special session and are defined as things that cannot wait to be addressed in January. Concern was expressed that the Legislature has been unable to resolve the revenue diversification issue yet, and that a recommendation to do so may be controversial. It was suggested that language be included to specify that revenue diversification would be approved by local voters and directed toward infrastructure. A Task Force member expressed that Cedar Rapids has lost a portion of the property tax base and will need capacity for revenue diversification immediately. Another Task Force member expressed concern that since damage estimates are unknown, the Legislature may be reluctant to consider options that might raise taxes. A Task Force member said that in Cedar Rapids, it is estimated that it will take the community 10 years or longer to regain status quo, and the city is in need of incentives to keep businesses. A Task Force member suggested using the Rainy Day Fund. A Task Force member said that currently, that amount would fulfill half of the needs of Cedar Rapids. It was suggested that the Rainy Day Fund be available for local match.

A Task Force member suggested that the state could benefit from expanding the enterprise zones to bring tax relief for businesses. It was suggested that tax improvements, waivers, and creative ideas would help communities bridge the gap between now and when bigger decisions are made, since issues on buyout require a significant time frame. An additional gap was identified in relation to waiting for updated 100 year and 500 year floodplain maps. A group member proposed that in the interim, there is a need to educate new homebuilders and new businesses about what energy efficiency will do for their bottom line. One Task Force member suggested that there be a recommendation that utilities which provide heat sources are subsidized to come up with those solutions through tax incentives or credits.

One Resource Group member said that years of infrastructure needs have been crammed into a small time frame, and that entities are going to have to borrow money to do this, which necessitates the expansion of local authorities' ability to borrow. The Task Force agreed and it was suggested to look at state money and get venture capitalists to get high return on investments. A Task Force member suggested that the group start thinking outside of the box to entice companies to come to Iowa. Another Task Force member said that the state does a good job of recruiting new businesses but there is a need to provide incentives for businesses to stay or rebuild. A Resource Group member suggested that bonding could be state-backed. It was suggested that the Rainy Day Fund be used for forgivable loans or interest free loans. A Task Force member suggested adjusting the time frame for how far in advance local entities can borrow, and another member said that this will affect the solvency of some funds. A Resource Group member proposed relaxing laws and timelines on the public bid process to ensure quicker service delivery and lower cost to the public. A Task Force member said that this would continue to require competitive bids, but the timeline would be compressed. A guest from FEMA suggested that the loan issue may be addressed through the Community Assistance Loan Program through FEMA.

Furler said the Task Force is charged to develop recommendations to address long-term needs in addition to short-term needs. One Task Force member suggested moving sales tax collected on drinking water from the General Fund and instead funding water and wastewater programs, which would generate \$15-18 million per year. Another Task Force member suggested expansion of parameters for the state revolving funds, which would require a code change. A Task Force member suggested lowering the percentage needed to pass bond referendums on infrastructure issues to 50% + 1. One Task Force member added the statewide coordination of land use and planning as a possible recommendation.

A Task Force member proposed that there be a permanent group or committee established to discuss infrastructure issues. A Resource Group member suggested that the state view watersheds as an opportunity and an asset to the state. One Task Force member suggested a multi-modal right of way. A Resource Group member proposed to grow local floodplain management programs. One Resource Group member suggested leveraging state programs by using better sustainable design criteria. Related to energy efficiency, it was suggested that Energy Star standards and the Model Building Code be promoted and tax incentives be given to firms that design energy efficient buildings. It was suggested that floodplains be remapped for planning purposes. A Task Force member said that with the new water quality standards, the state assists small cities, but there is no state funding for wastewater collection and sewer systems. Another Task Force member emphasized the need to address septic systems.

There was discussion about a possible gas tax increase, and Task Force members decided that the issue may not be flood related. There was discussion of railroads having no dedicated funding source and changing this by charging fees for shipping for users of railroads or improving financial viability of railroads by waiving property tax or sales tax. A Task Force member expressed that capital investment incentives may be preferable to eliminating the

property tax for certain businesses. There was discussion about watershed planning and the need to coordinate efforts across the state. A guest added that communities could benefit from planning with emergency management to develop a backup plan that prioritizes essential services and facilities. There was discussion about shipping landfill waste out of state or using a mobile incinerator, which has the capacity to burn 20 tons per day. The Cedar Rapids landfill is taking 1,000 tons of waste per day. A Resource Group member suggested that the Iowa Green Corps might do conservation and recovery work, which may include educating the public and researching the financial implications of land use.

There was a question about whether the group wanted to make recommendations based on a regulatory stance or by allowing businesses to volunteer to meet standards. A Task Force member asked for further explanation of the road use of tax fund increase and whether it was suggested that it would be for the match portion of roads. The Task Force decided to pull out the recommendation to do so, when the group considered how the tax fund relates to flooding issues.

Long Term Recommendations Identified:

- Interest free loan from state
- Long term review
- Multi-modal right of way
- Grow local Floodplain Programs
- Better use of Energy Star and Model Building Code
- State tax incentive for efficient buildings
- Funding available for local floodplain maps
- State funding for wastewater collection and septic
- Capital investment in railroads
- Energy credit for construction of buildings
- SRF sponsored projects
- Multi-modal transportation funding increase
- Sales tax on drinking water directed back into water improvements
- Forgivable and/or no interest loans
- Lower bond referendum percentages to pass infrastructure projects
- Watershed coordinated land use and planning

Process for Completing 45-Day Report and Recommendations

Furler explained that from the issues, gaps, and recommendations, RIO and SPPG staff will draft a report and will send it out for quick turnaround. The report will be sent by email and if no response is received from a Task Force member, the assumption will be made that the Task Force member is in agreement with the recommendations. Furler said the report is due on August 18 to the Rebuild Iowa Advisory Commission. Furler thanked the group for their discussion.

Closing Comments and Adjournment

The co-chairs thanked the group for attending and staff for their work and support.